REMARKS

Applicants greatly appreciate the courtesy extended by Examiner F. D. Lopez to the undersigned and Mr. J.W. Burrows during the telephone interview that was held on November 14, 2003. During that interview, Mr. Burrows and I discussed the operation of the Budzich reference (U.S. Patent No. 4,200,118) and then discussed how the operation of the subject invention differed from the Budzich reference; one difference being that in the Budzich reference, the spool 34 must move through a first normal operating position in order to get to the extreme position at which both ends of the respective cylinders are interconnected so that regeneration therebetween may be achieved. It is understood that with respect to the Budzich reference, the first normal operating position is the position at which pressurized fluid from the pump is directed to one end of the cylinder and the other end thereof is connected to tank. Both of the spools 34 of the Budzich reference operate in the same manner. It was also noted that the Budzich reference does not teach any form or desire to achieve pressure equalization between various ends of the respective cylinders. It was noted that the Budzich reference would appear to inherently permit pressure equalization, if one of the spools was moved through its first normal operating position to its extreme position and then the second spool was moved away from its center position.

In the subject invention, as recited in claim 1, the first directional control valve is movable between a center position and first and second operable positions. In the first operable position, the fluid from the source of pressurized fluid is communicated through a supply port to the second outlet port of the first directional control valve and the first outlet port thereof is connected to the reservoir. In the second operable position, as recited in amended claim 1, the supply port is in full communication with the first outlet port and the second outlet port is in full communication with the supply port. Whenever the second directional control valve is moved from its center position towards one of its operative positions and the first directional control valve is moved from its center position towards its second operative position, pressure equalization is established between both ends of the first fluid cylinder and a selected one of the head end and rod end ports of the second fluid cylinder. In the subject arrangement, movement of the first directional control valve from its

center position towards its second operative position permits pressure equalization between both ends of the first fluid cylinder and the selected end ports of the second fluid cylinder. This relationship is not taught or suggested in the Budzich reference. Thus, as discussed in the telephone interview, we believe that the subject claims are allowable over the Budzich reference.

Claim 1 was rejected in the September 23, 2003 Office action under 35 U.S.C. § 102(b) as being anticipated by Budzich. However, in view of the above comments with respect to the telephone interview of November 14, 2003 and the clarifying amendment to claim 1, it is respectfully submitted that claim 1 is allowable over the Budzich reference.

Claims 4-8 were rejected under 35 U.S.C. § 103 as being unpatentable over Budzich in view of Johnson. However, it is respectfully submitted that the respective limitations of dependent claims 4-8, when taken in combination with amended claim 1, are allowable over the references of record taken either singularly or in combination.

In view of the above comments and the clarifying amended to claim 1, it is respectfully urged that the subject application is in condition for allowance and allowance of the application at issue is respectfully requested.

FEES

No fees are believed to be incurred by this response. Should any attached papers become lost or separated or should additional fees be deemed necessary, including petition and fee for extensions of time or additional claims, the Commissioner is requested to treat this as such petition, and is hereby authorized to charge any fees due to Caterpillar Inc.'s Deposit Account No. 03-1129.

Respectfully submitted,

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